

MONTHLY ANALYSIS OF INDUSTRY EMPLOYMENT DATA  
New Hampshire, January 2003  
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With the publication of January 2003 preliminary estimates and the 2002 benchmark, the current employment statistics (CES) program has been converted from the Standard Industrial Classification (SIC) system to the North American Industrial Classification System (NAICS).

This conversion brought about many changes in the amount of data available, and the way the data are presented. One of the more noticeable changes is that Supersectors in NAICS replaced Major Industrial Divisions under SIC. The industrial substructure has also been significantly revised.

Definitions of activities that comprise industries have been changed, as well as numerical designations. For example, printing and publishing (SIC 27) under SIC could be found in manufacturing industrial division. Most of printing and publishing activities now are aligned in NAICS under the independent supersector 50, information. NAICS definitions had a greater impact on private sector employment than public administration (government). In government, the numerical designators have been changed, while definitions, for the most part, have remained intact.

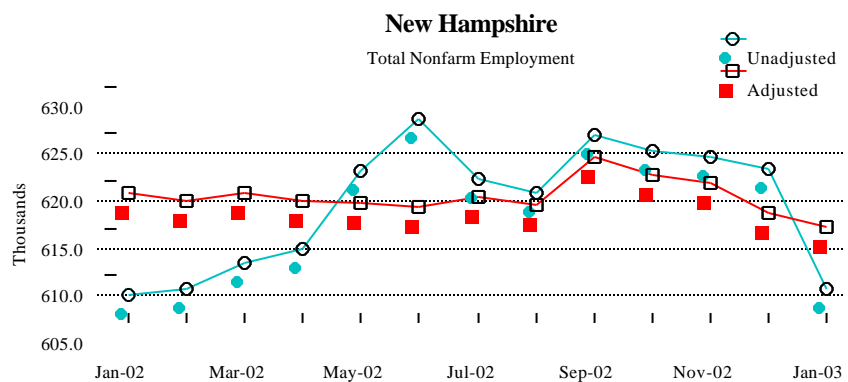
There has also been a philosophical shift in classification between SIC and NAICS. The SIC system classified firms by the type of output. In simplified terms, NAICS, in addition to type of output, also considers the manner in which the output was produced to determine industrial classification.

At the total nonfarm level, employment totals are identical between the SIC and NAICS systems. Data series below the nonfarm level are not strictly comparable. The change in industry definitions makes comparison of data between the two systems very difficult for a given industry. The Bureau of Labor Statistics (BLS) working with the individual states has recreated a NAICS-based time series that provides data back to the year 1990 for total nonfarm employment, its subdivisions, and primary metropolitan statistical areas (PMSA).

Seasonally adjusted data had the largest reduction in the number of published line items. Seasonal adjustment is a two-tine process. One of those prongs is the employment data obtained from the Quarterly Wage and Tax program, while the other relies on estimated trends. Because the system is new, there is no estimating history. Consequently, the number of seasonally adjusted data series that we can reliably produce will be very limited until such historical records are developed. One other aspect that arises is that we will not be able to provide a detailed analysis of the seasonally adjusted trends below the supersector level. Unadjusted estimates must be relied upon to gain a perspective of the movement of the seasonally adjusted trend line.

**Seasonally Adjusted:** Preliminary estimates in this data series showed that employment in New Hampshire was down by 1,600 jobs from the December 2002 level.

Of the publishable supersectors in the seasonally adjusted series for January 2003, manufacturing (NAICS supersector 30) dropped 1,700 workers. Government (NAICS supersector 90) employment fell by 500 jobs. The construction supersector (NAICS supersector 20) employment held constant at the previous month's level. The trade, transportation, and utilities supersector (NAICS supersector 40) added 1,800 workers to its force, and leisure and hospitality (NAICS supersector 70) expanded its ranks by 900 jobs.



**Unadjusted:** Employment levels for January 2003 in New Hampshire declined by 12,600 jobs as the state observed the passing of another holiday season. All of the supersectors experienced job losses in January, except financial activities (NAICS supersector 55), and natural resources, and mining (NAICS supersector 10). Employment in the financial activities supersector increased by 100 jobs during the month, while natural resources and mining stayed at the December level.

Leading the post holiday decline was the trade, transportation, and utilities (NAICS supersector 40) with a 3,900-job cut. Government (NAICS supersector 90) came next with its 3,700-job loss. Manufacturing (NAICS supersector 30) employment was down by 2,000 jobs in January. Construction (NAICS supersector 20) employment declined by 1,500 jobs, and professional and business services (NAICS supersector 60) saw employment levels decrease by 1,000 jobs.

From that point, job loss seemed to moderate. Information (NAICS supersector 50) and leisure and hospitality (NAICS supersector 70) each dropped 200 jobs. Employment in educational and health services (NAICS supersector 65) and other services (NAICS supersector 80) rounded out the month's slide for the state by each dropping 100 jobs from their respective rolls.

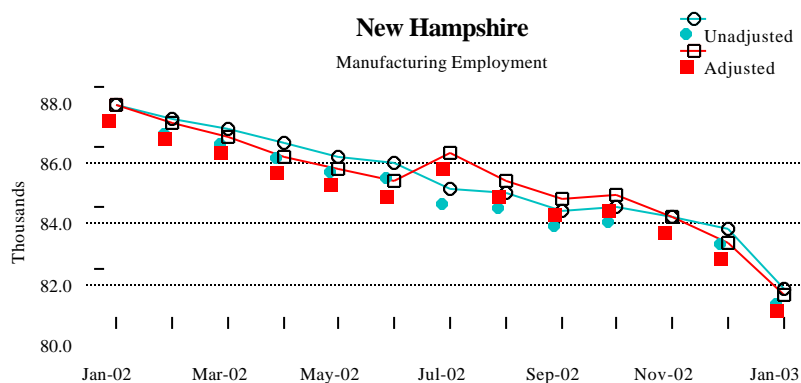
## CONSTRUCTION

Unadjusted estimates for January showed that employment in construction (NAICS supersector 20) experienced a 1,500-job drop. Special trade contractors contributed 700 to the 1,500-job decline. A review of the January sample indicated that the other areas of the construction supersector also had a seasonal down turn.

## MANUFACTURING

January's preliminary unadjusted estimates showed that the manufacturing (NAICS supersector 30) employment trend line continued its downward trek in terms of employment levels. Of the 2,000 fewer jobs for the supersector in January, durable goods manufacturing was responsible for 1,800 of those jobs. Nondurable goods manufacturing accounted for the remainder of the lost jobs.

The durable goods manufacturing subdivision of this supersector has seven NAICS subsectors or industrial groups estimated and published. For January 2003, three of the seven groups trimmed their ranks, three other industries held employment at the previous month's total, and one industry (transportation equipment, NAICS subsector 336) brought 100 additional workers on board.



NAICS industry group 3344, semiconductor and other electronic component manufacturing, cut 400 jobs. Overall, the NAICS subsector 334, computer and electronic product manufacturing, fell by 200 jobs. Employment in electrical equipment, appliance, and component manufacturing (NAICS subsector 335) fell by 100 jobs in January.

Those subsectors or industrial groups holding their respective employment levels constant were primary metal manufacturing (NAICS subsector 331), navigational, measuring, electromedical, and control instruments manufacturing (NAICS industrial group 3345), and miscellaneous manufacturing (NAICS subsector 339).

In the nondurable goods manufacturing subdivision, there are two subsectors or industrial groups that are estimated and published. Food and beverage and tobacco product manufacturing (combined NAICS subsectors 311 and 312) and paper manufacturing (NAICS subsector 322), each dropped 100 jobs from their rolls in January.

## TRADE, TRANSPORTATION, AND UTILITIES

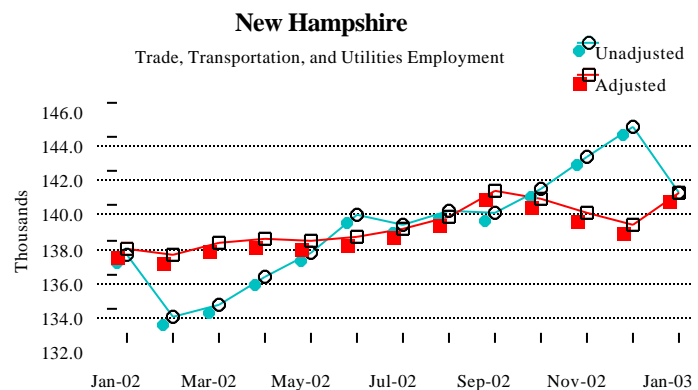
As a whole, employment in this supersector declined by 3,900 jobs in January. Wholesale trade contributed 200 jobs to that reduction. In the aftermath of another holiday shopping season, retail trade industries pared 3,200 jobs from their ranks. Transportation and warehousing supplied the remaining 500 jobs to the seasonal decline.

January estimates for merchant wholesalers (NAICS subsector 423) showed that there were 300 fewer employees in that function. Employment in the wholesale electronic markets and agents and brokers (NAICS subsector 425) maintained its December level.

In the normal course of events, retail trade employment declines in January of each year. Preliminary January estimates continued that tradition with a 3,200-job reduction. Clothing, accessories, and general merchandise stores (NAICS subsectors 448 and 452) trimmed 3,100 of those jobs. Department stores (NAICS industry group 4521) contributed 2,000 of the 3,100 lost jobs.

Employment in food and beverage stores (NAICS subsector 445) experienced a 200-job growth in January's preliminary estimates, while employment in health and personal care stores (NAICS subsector 446) was up by 100 jobs in those estimates.

Electronic shopping and mail-order houses (NAICS subsector 454) in New Hampshire employed 2,900 persons in January, which is unchanged from the previous month.



Transportation and warehousing (NAICS sectors 48-49) saw its ranks diminished by 500 jobs for the month. The sample indicated that this decline was distributed through both functions.

Utilities (NAICS sector 22) kept its employment at the December 2002 level.

## INFORMATION

Our survey indicated that the January 200-job decline was evenly distributed between publishing (NAICS subsector 511), motion picture and sound recording industries (NAICS subsector 512), and telecommunications (NAICS subsector 517). It was interesting to note that newspaper, periodical, book, and database publishers' part of NAICS subsector 511 held their employment level constant at the previous month's level.

## FINANCIAL ACTIVITIES

Employment in financial activities (NAICS supersector 55) expanded by 100 jobs according to January's preliminary estimates.

The finance and insurance portion (NAICS sector 52) added 300 jobs to its ranks during the month. Within the insurance segment, employment for insurance carriers and related activities (NAICS subsector 524) increased by 100 jobs. NAICS industrial group 5241, insurance carriers, reduced its roster by 100 jobs.

Real estate and rental and leasing (NAICS sector 53) employment fell by 200 jobs in January's estimates. The sample showed that this minor decline was distributed across many of the sector's facets.

## PROFESSIONAL AND BUSINESS SERVICES

January saw employment in professional and business services (NAICS supersector 60) drop by 1,000 jobs. Employment services (NAICS industry group 5613) appeared to have accounted for the entire loss, as employment in the other NAICS sectors in this supersector remained unchanged in over-the-month activity.

## EDUCATION AND HEALTH SERVICES

At the supersector level, education and health services (NAICS supersector 65) employment declined by 100 jobs in January. Educational services (NAICS sector 61) was down by 300 jobs overall. Colleges, universities, and professional schools (NAICS industry group 6113) had 600 fewer employees. For many educational institutions, January marks a break point in the school year.

Health services and social assistance (NAICS sector 62) employment grew by 200 jobs in January. Despite the overall employment increase in the sector, ambulatory health care services (NAICS subsector 621) and hospitals (NAICS subsector 622), each reduced their respective work force by 200 jobs. Nursing care facilities' (NAICS subsector 623) employment remained at the December level.

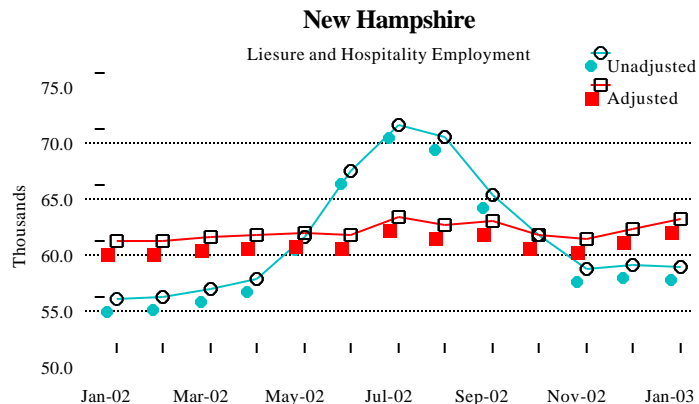
## LEISURE AND HOSPITALITY

The leisure and hospitality supersector (NAICS Supersector 70) experienced a net loss of 200 jobs in January's preliminary estimates. The arts, entertainment, and recreation sector (NAICS sector 71) added 600 jobs, while accommodation and food services had a cut 800 jobs during the month.

Firms that provide accommodations (NAICS subsector 721) added 300 jobs during January. Wintry weather conditions in New Hampshire can be an asset to this industry.

Wintry conditions also benefited the amusements, gambling, and recreation industries (NAICS subsector 713) as employment in this area expanded by 600 jobs. This 600-job increase rippled up through the subsector. The sample showed the snow skiing was in full swing in January.

Food services and drinking places' (NAICS subsector 722) employment fell by 1,100 jobs in January. Limited-service eating places (NAICS industry group 7222) reduced its work force by 500 jobs, and full-services restaurants (NAICS industry group 7221) pared 400 workers from its staff.



## OTHER SERVICES

The category other services (NAICS supersector 80) in NAICS has been greatly reduced in scope from its closest SIC neighbor in terms of the number of functions or industries contained in it. Like the SIC services division, diversity is still the stock and trade of the other services supersector.

To give a sense of the magnitude of change, December 2002 estimated employment under the SIC services division was 189,700. January 2003 estimated employment level for the new other services was at 21,700 jobs in New Hampshire, which is 100 fewer jobs than the December total in this NAICS category. This 100-job reduction represented a slight employment decrease across the wide spectrum of functions in the supersector.

## GOVERNMENT

Government employment fell by 3,700 jobs in January 2003 largely on the impetus of a 2,800-job drop in state government. Local government employed 700 fewer workers, and the federal government reduced its ranks by 200 jobs.

State government's 2,800-job decline was fueled by the university system taking a break from school. January estimates showed that university system employment was down by 1,800 jobs.

Local government's educational services accounted for 400 of the 700-job reduction, as other administrative functions of local government absorbed the remaining 300-job loss.

January's employment in federal government fell by 200 jobs. The decrease was driven by postal services cutting back on its temporary holiday work force. Other federal government elements within New Hampshire also experienced a minor downward shift.

